

STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

Robert M. Pickett, Chairman
Kate Giard
Mark K. Johnson
Anthony A. Price
Janis W. Wilson

In the Matter of the Investigation into Quality of
Services Provided by the CITY OF ADAK d/b/a)
ADAK ELECTRIC UTILITY)

U-07-5

ORDER NO. 9

In the Matter of the Investigation into a Possible
Successor Electric Utility to Replace the CITY OF)
ADAK d/b/a ADAK ELECTRIC UTILITY)

U-08-114

ORDER NO. 1

**ORDER FINDING GOOD CAUSE TO REVOKE CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY NO. 684, INVITING APPLICATIONS FOR
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY, AND
SCHEDULING A WORKSHOP**

BY THE COMMISSION:

Summary

We find good cause to revoke the Certificate of Public Convenience and Necessity (Certificate) No. 684, held by the City of Adak d/b/a Adak Electric Utility (Adak Electric). We open a new docket to consider a possible successor. We invite applications for a certificate to provide electric utility service for the island of Adak, Alaska. We schedule a workshop to discuss efforts to provide reliable electrical service to Adak. We invite attendance at the conference by individuals or representatives of entities interested in applying for a certificate to provide electric utility service to Adak, Aleut Corporation officials, State of Alaska agency representatives concerned with rural community issues, other interested persons, and members of the public who may

1 meaningfully contribute to our record and propose solutions to the problem of providing
2 long-term, safe, reliable, continuous, electric utility service and maintaining adequate
3 and safe facilities in a remote rural community.

4 Background

5 We held a public hearing¹ to provide Adak Electric the opportunity to show
6 cause why Certificate No. 684 should not be revoked and why it should not pay costs
7 and civil penalties.² Adak Electric appeared at the hearing through Steven L. Hines.³
8 Hines is the Adak City Manager and the manager of Adak Electric.⁴ Hines testified that
9 he had authority as City Manager, electric utility manager, and by delegation from the
10 Mayor of the City of Adak, Ron Whitehead, to speak on behalf of the City of Adak and
11 Adak Electric to bind both Adak Electric and the City of Adak through any
12 representations made during the public hearing.⁵ We received subsequent filings.⁶

13 Discussion

14 Adak Electric received Certificate No. 684 on September 19, 2003.⁷ We
15 opened this docket to investigate the causes of a power outage experienced by Adak
16 Electric customers in December 2006 and to address safety issues raised by informal

17 ¹There was no representative of the public interest at the hearing. The Attorney
18 General did not participate in the proceeding. See filings on September 7, 2007, and
19 December 14, 2007.

20 ²Tr. at 65-152.

21 ³*Id.* at 68.

22 ⁴*Id.* at 68-69.

23 ⁵*Id.* at 69-70.

24 ⁶Supplemental Filing, filed August 1, 2008 (August Supplemental Filings); Fax
25 from J. Beckford, filed September 12, 2008; and electronic mail from J. Nickels, filed
26 September 8, 2008.

⁷Order U-00-128(5), *Order Approving Application for Certificate and Closing Docket*, dated September 19, 2003. Docket U-00-128 is titled *In the Matter of the Application Filed by the City of Adak d/b/a Adak Electric Utility for a Certificate of Public Convenience and Necessity to Furnish Electric Public Utility Service*.

1 complaint C-06-396.⁸ Our investigation also encompassed the adequacy of utility
2 facilities and the quality of electric utility service Adak Electric provides to its customers.
3 We investigated the reliability of power delivery, ongoing compliance by Adak Electric
4 with standard electrical utility practices, and safety concerns of city residents and Adak
5 Electric employees.

6 Our investigation revealed that Alaska Department of Labor and
7 Workforce Development personnel had cited Adak Electric for numerous safety
8 violations.⁹ We directed Commission Staff (Staff) to travel to Adak. We obtained a
9 report from mechanical inspectors who accompanied Staff to Adak.¹⁰ We reviewed a
10 City assessment of Adak Electric safety practices.¹¹ We obtained and reviewed an
11 independent assessment of on island assets, including service from Adak Electric,
12 available to support a large-scale endeavor based at Adak.¹² We considered numerous
13 public comments, many of which expressed concern or dissatisfaction with Adak
14 Electric management. We considered comments from the City of Adak, Aleutian
15 Region School District (ARSD) officials, and State of Alaska Department of Commerce,
16 Community and Economic Development/Rural Business Utility Advisor representatives.

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19 ⁸Order U-07-5(1). *Order Initiating Investigation, Requiring Filings, Appointing a*
20 *Panel and Administrative Law Judge, and Addressing Timeline for Decision*, dated
January 12, 2007.

21 ⁹*Enforcement 30575270, Adak City of, Adak Island, Adak, AK, Opened: 2/24/03*
22 *Closed: 1/23/04*, filed March 7, 2007; and Letter from M. McNair-Davis, filed April 19,
2007 (Enforcement 30575270).

23 ¹⁰*State of Alaska Mechanical Inspection Report*, filed August 9, 2007.

24 ¹¹*Review of Safety Practices at Adak Electric Utility's Power Plant Three,*
25 *Prepared for the City of Adak by the Adak Compliance Committee, Advisors: Thomas*
Spitler, Jerret Patterson, filed March 6, 2008 (Safety Practices Review).

26 ¹²*Missile Defense Agency, Adak Island Assessment*, filed August 28, 2007.

1 Standard of Review

2 We do not issue a certificate unless we find an applicant fit, willing, and
3 able to provide the utility services applied for, and that the services are required for the
4 convenience and necessity of the public.¹³ The scope of this docket was not to examine
5 whether the convenience and necessity of the public requires electric utility service on
6 Adak. We continue to find that residents of Adak require electric utility service for their
7 convenience and that electric utility service is necessary to provide necessities and
8 enjoy daily life. Our investigation focused on whether, in light of the complaints and the
9 facts we discovered, Adak Electric remains fit, willing, and able to furnish and maintain
10 adequate, efficient, and safe facilities and service that is reasonably continuous and
11 without unreasonable interruption.¹⁴ If Adak Electric is not fit, willing, and able to
12 provide electric utility services then we may, after providing Adak Electric notice and an
13 opportunity to be heard, and upon a finding of good cause, amend, modify, suspend, or
14 revoke Certificate No. 684.¹⁵

15 The good cause standard against which we weigh Adak Electric's
16 performance encompasses the willful failure to comply with applicable law and the
17 regulations we administer, and the willful failure to comply with orders of this
18 commission.¹⁶ Therefore, we review the record to determine whether Adak Electric has
19 willfully failed to meet standards of service established by statute, whether Adak Electric
20 has failed to meet standards of service established by regulations, and whether Adak
21 Electric has failed to comply with our orders. "Willful failure" can be a careless
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23 ¹³AS 42.05.241.

24 ¹⁴AS 42.05.291(a).

25 ¹⁵AS 42.05.271.

26 ¹⁶AS 42.05.271(4).

1 disregard of a statutory requirement and can be exhibited by a failure to perform an act
2 for a long period when the law or a commission order requires the act be performed.¹⁷

3 Review of Investigation and Adak Electric's Compliance with Commission Orders

4 During our investigation, Adak Electric often failed to respond to orders
5 requiring filings or action. Order U-07-5(1) required that Adak Electric retain the
6 services of a professional engineer to provide for both Adak Electric and this
7 commission, a report on its compliance with state and federal electrical code and
8 acceptable electric industry standards.¹⁸ We directed that the report be filed with us no
9 later than February 9, 2007. Adak Electric has never filed any report prepared by a
10 professional engineer. Adak Electric addressed this matter in an undated letter hand
11 delivered to our staff when they were conducting a site inspection on June 18 and 19,
12 2007.¹⁹ While our order required the filing in early February 2007, Adak Electric, by its
13 letter filed June 21, 2007, requested an extension until August 1, 2007, to comply with
14 our order. Because Adak Electric had not sought professional assistance, we obtained
15 the assistance of representatives from the Alaska Department of Labor and Workforce
16 Development, who, along with Staff conducted an on-site inspection of facilities. Even
17 after August 1, 2007, Adak Electric failed to respond to our order and has never filed
18 any report prepared by a qualified professional engineer.

19 The next instance of Adak Electric's failure to comply with an order
20 occurred May 2007. Adak Electric was required to file by May 21, 2007, a copy of the
21 State of Alaska Occupational Health and Safety 2006 inspection and any responses
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23 ¹⁷*North State Tel. Co. v. Alaska Public Utilities Comm'n.* 522 P.2d. 711 (Alaska
24 1974).

25 ¹⁸Order U-07-5(1).

26 ¹⁹Letter from S. Hines, filed June 21, 2007 (filed by staff upon returning to our
offices following site inspection).

1 made by Adak Electric.²⁰ Adak Electric failed to file this information. The record of the
2 inspection was obtained by Staff and filed in the official record of this proceeding on
3 May 11, 2007.²¹ Adak never filed its responses to the inspection or offered any proof
4 that deficiencies noted during the inspection have been satisfactorily addressed or that
5 identified dangerous conditions have been eliminated.

6 Adak Electric was required to file a copy of its maintenance program and a
7 copy of its record of all accidents involving the utility where injuries to any person
8 occurred.²² Adak Electric never complied. Adak Electric is required to maintain
9 reasonable records documenting compliance with a maintenance program²³ and a
10 record of all accidents involving the utility or utility plant and resulting in injuries to the
11 public.²⁴ Its failure to provide these records suggests that Adak Electric may not
12 maintain these records as is required by our regulations.²⁵

13 Adak Electric was also required to file a report fully explaining its metering,
14 billing, and collection practices and detailing utility accounts by class or category,
15 identifying the number of past due accounts, and evidencing the amounts owing and
16 past due by class or category.²⁶ Not until after our show cause hearing, and only after
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20 ²⁰Order U-07-5(2), *Order Requesting Assistance and Inspection, Requiring*
21 *Filings, Reaffirming Previous Filing Requirements, Inviting Participation by the Attorney*
General, and Inviting Public Comment, dated April 30, 2007 (Order U-07-5(2)), at
Ordering Paragraph No. 1.

22 ²¹Enforcement 30575270.

23 ²²Order U-07-5(2) at Ordering Paragraph No. 2.

24 ²³3 AAC 52.475.

25 ²⁴3 AAC 52.480.

26 ²⁵AS 42.05.541.

²⁶Order U-07-5(2) at Ordering Paragraph No. 3.

1 being specifically directed by commissioners did Adak Electric file any records
2 identifying past due accounts.²⁷

3 We further directed Adak Electric to reply to a letter from our Consumer
4 Protection Division and provide its position regarding operations issues, maintenance
5 concerns, electric code violations, safety, and billing practices.²⁸ Adak did not respond
6 to the letter. Its only response may be a suggestion in the letter filed on June 21, 2007,
7 that "a lot of these problems are related to our electrician, Anthony Sherman."

8 After the return of Staff from the site visit, Adak Electric was directed to
9 make further filings. We issued a letter order that required that Adak perform the
10 following:

11 1. The City of Adak must conduct its own comprehensive investigation of
12 its electrical generation, transmission, and distribution facilities, for the
purpose of identifying all hazardous situations or facilities.

13 2. Where a hazardous situation or facility is found to exist, the City of
14 Adak must post a hazard warning notice alerting members of the public of
the danger and directing them to keep away, and shall take all necessary
15 steps to remediate each hazard found to exist.²⁹

16 We required that Adak Electric respond to these directives by September 17, 2007.³⁰

17 Again, Adak Electric was untimely with its responses. Adak Electric stated
18 that it was taking initial steps, to fix a transformer problem at the island airport, was
19 looking for a new transformer that would replace the one used for school operations,
20 was working with residents on the replacement of meter bases, was implementing a city
21 employee safety program, was conducting a survey of dangerous hazards, and was
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23 ²⁷August Supplemental Filings.

24 ²⁸Order U-07-5(2) at Ordering Paragraph No. 4 and Attachment A.

25 ²⁹Letter Order No. L0700405, dated August 29, 2007.

26 ³⁰*Id.*

1 working to resolve billing discrepancies.³¹ However, Adak Electric never reported that
2 any of these tasks had been accomplished. Adak Electric reported in January 2008,
3 that it was contracting with a safety professional to identify hazards.³² Finally, on
4 March 6, 2008, Adak filed a safety practices review.³³ The review is not authored by a
5 professional engineer and does not report on any effort to identify new electric safety
6 hazards. The report does not discuss efforts undertaken to protect the public from
7 electric hazards. The report is not responsive to our order.

8 Hearing to Show Cause Why Certificate Should Not be Revoked

9 At the commencement of the hearing, Hines presented a letter, which in
10 part reported on safety concerns.³⁴ Adak Electric had been directed to file by June 20,
11 2008, a status report detailing efforts and progress made to identify and remediate
12 electric safety hazards. This directed filing was to supplement Adak Electric's filing of
13 March 6, 2008.³⁵ As with many Adak Electric filings, this was both late and incomplete.

14 Adak Electric has never responded to our order directing the filing of a
15 written report on public comments filed in the docket.³⁶ At the show cause hearing,
16 Hines received a complete copy of all public comments filed in the proceeding. He
17 agreed to respond to them³⁷ but has not done so.

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21 ³¹Letter from T. Spitler, filed December 14, 2007.

22 ³²Letter from T. Spitler, filed January 28, 2008.

23 ³³Safety Practices Review.

24 ³⁴Tr. at H-1E.

25 ³⁵Safety Practices Review.

26 ³⁶Tr. at 72.

³⁷*Id.* at 122.

1 Hines acknowledged that unsafe electric conditions exist on Adak.³⁸
2 These include rusted meters³⁹ and the poor condition of transformers and switches.⁴⁰
3 One dangerous transformer is near the high school and City of Adak offices, an area of
4 high public traffic.⁴¹ Hines acknowledged three separate enforcements actions for
5 safety violations and stated that while some safety concerns have been remediated,
6 fines have not yet been paid.⁴² We have no independent proof of remediation or
7 elimination of any hazard. Hines acknowledged that subsequent to our opening this
8 docket, there was a six-month period when power outages occurred almost daily.⁴³
9 While Hines believed these outages were reported as required by law,⁴⁴ we have found
10 no record of any report by Adak Electric documenting a power outage while this docket
11 has been open. Hines informed us at the show cause hearing there were two licensed
12 electricians on the island available occasionally to assist the Adak Electric with electric
13 matters.⁴⁵ He discussed a \$320,000 debt owed to the Aleut Enterprise Corporation for
14 fuel purchases⁴⁶ and stated that the largest customer of the electric service, Adak
15 Fisheries, owed \$573,000 to the City of Adak. Of that amount, \$405,000 is for utility
16 service. Hines also acknowledged that Adak Electric customers do not benefit from the
17 State's power cost equalization program (PCE).⁴⁷ At the time of the hearing, Adak

18 ³⁸Tr. at 90.

19 ³⁹*Id.* at 91.

20 ⁴⁰*Id.*

21 ⁴¹State of Alaska Mechanical Inspection Report, filed August 9, 2007.

22 ⁴²Tr. at 94.

23 ⁴³*Id.* at 96.

24 ⁴⁴3 AAC 48.52.490(b).

25 ⁴⁵Tr. at 99.

26 ⁴⁶*Id.* at 106.

⁴⁷*Id.* at 112.

1 Electric fuel supplies, necessary for electric generation, were reported to be critically
2 low.⁴⁸

3 Hines acknowledged that it has become increasingly apparent that Adak
4 Electric is not professional in its operation of the electric utility.⁴⁹ This acknowledgement
5 combined with the testimony of power outages as a common occurrence, the evidence
6 of financial mismanagement, and the evidence of continuing existence of dangerous
7 conditions and unsafe operations clearly establishes that Adak Electric is not fit, willing,
8 and able, managerially, technically, or financially, to provide electric utility service.

9 Post-Hearing Developments and Filings

10 We find that developments subsequent to the show cause hearing have
11 only confirmed and made even more convincingly clear that Adak Electric is not fit,
12 willing, and able to provide electric utility service

13 Adak Electric is not providing electric utility service that meets minimum
14 standards. This fact alone is sufficient for us to conclude that Certificate No. 684 should
15 be revoked. Two notices from Adak Electric confirm a recently begun schedule of
16 rolling blackouts.⁵⁰ This is unacceptable service. One notice indicates that the problem
17 is caused by low fuel levels.⁵¹ The problem of low fuel supplies was known to Adak
18 Electric at the time of our show cause hearing. Hines testified at the show cause
19 hearing about a sixty-day agreement with the Aleut Enterprise Corporation under which
20 fuel would be supplied to the utility⁵² It was made clear to Hines that a sixty-day period

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22 ⁴⁸Tr. at 121; and *Channel 2 News* (NBC television broadcasts July 2, 2008.)

23 ⁴⁹*Id.* at 150.

24 ⁵⁰Fax from J. Beckford, filed September 12, 2008 (ARSD Fax); and *Power*
Schedule Change, filed September 15, 2008 (Power Schedule Change).

25 ⁵¹ARSD Fax.

26 ⁵²Tr. at 134-135.

1 would come and go quickly⁵³ The inability of Adak Electric to assure that adequate fuel
2 supplies were available after the sixty-day agreement expired is evidence of Adak
3 Electric's difficulties brought on by a completely avoidable combination of extremely
4 poor cash management practices, a lack of competent management oversight, and
5 negligent planning. By announcing rolling blackouts, Adak Electric has violated the law.
6 Adak is not allowed to discontinue or abandon service for which a certificate has been
7 issued without seeking permission to do so.⁵⁴ We have never authorized Adak Electric
8 to suspend service temporarily. As a public utility Adak Electric is required to furnish
9 and maintain adequate, efficient, and safe service and facilities. Electric utility service
10 must be reasonably continuous and without unreasonable interruption or delay.⁵⁵ Adak
11 Electric is not currently meeting and at past times has not met required standards of
12 service. The failure of Adak Electric to provide continuous electric power disrupts the
13 lives of all who reside on Adak. This disruption compromises scheduled and
14 unscheduled aviation service and makes access to and exit from the island difficult, if
15 not impossible, especially in times of bad weather.

16 The Aleutian Region School District has incurred unbudgeted costs and
17 seen adverse impacts on its students and teachers, due to the low quality of electric
18 service.⁵⁶

19 Hines testified that Adak Electric has not received PCE at any time since
20 he became city manager in 2004.⁵⁷ Had Adak Electric filed necessary documentation,
21 even after our show cause hearing, and become a recipient of PCE funding, this flow of

22 ⁵³Tr. at 135.

23 ⁵⁴AS 42.05.261(a).

24 ⁵⁵AS 42.05.291(a).

25 ⁵⁶ARSD Fax, and electronic mail from D. Niedermeyer, filed September 15, 2008.

26 ⁵⁷Tr. at 125.

1 funds might have reduced electric costs to residential ratepayers and aided Adak
2 Electric with fuel purchases. Adak Electric has also failed to submit documentation to
3 obtain state revenue sharing funds.⁵⁸ A state agency has determined that Adak Electric
4 currently does not have workers' compensation insurance coverage for its employees.⁵⁹
5 The post-hearing financial filings Adak provided confirm the debt Adak Fisheries owes
6 to Adak Electric is large.⁶⁰ That fact, in addition to the public acknowledgement of the
7 debt by Adak Fisheries,⁶¹ reconfirms the fact that Adak Electric is not fiscally
8 responsible in the management of its accounts receivables. Since Adak Electric cannot
9 purchase fuel because of its poor debt management practices and a resulting lack of
10 funds, Adak Electric continues to be financially and managerially unfit to hold a
11 certificate.⁶²

12 The City of Adak has told its residents that if they do not need to be on
13 Adak, they should leave.⁶³ This instruction is overwhelming proof that Adak Electric has
14 failed its customers.

15 To some degree, Adak Electric must acknowledge it has known of its
16 failings during the period we have investigated. Adak Electric has willfully failed to meet
17 its obligations as a public utility. Adak Electric has failed to meet requirements of
18 administrative code provisions governing electric utilities. Adak Electric has not
19 addressed our orders. Adak Electric has not dealt with legitimate and serious public
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21 ⁵⁸Electronic mail from S. Ruby, filed September 8, 2008.

22 ⁵⁹Electronic mail from J. Nickels, filed September 8, 2008.

23 ⁶⁰August Supplemental Filings.

24 ⁶¹James Halpin, *Tangled web leads to Adak power shutdown*, Anchorage Daily
News, September 15, 2008, at A-3.

25 ⁶²Electronic mail from S. Hines, filed September 15, 2008.

26 ⁶³Power Schedule Change.

1 safety concerns. Adak Electric has not eliminated known hazards or sought
2 professional help to do so. Adak Electric is staffed at a low level. Adak Electric has fuel
3 problems, cash management and collection problems, and management failings.
4 These conditions have been uncorrected despite changes of city administration. We
5 deem this situation a continuing and careless disregard of standards for facility and
6 service required by statute and regulation. These willful failures cannot be condoned.

7 Based on the record we find substantial credible evidence exists to
8 conclude that Adak Electric is unfit, unwilling, and unable to hold a certificate, and
9 therefore good cause exists to revoke Certificate No. 684. We do not believe it
10 purposeful or necessary to consider assessing civil penalties or fines at this time. We
11 hold in abeyance the revocation of Certificate of Public Convenience and Necessity
12 No. 684 until we have assurance that a substitute electric utility is able to provide
13 electric utility service to Adak.

14 Final Order Language

15 This order constitutes the final decision in Docket U-07-5. This decision
16 may be appealed within thirty days of the date of this order in accordance with
17 AS 22.10.020(d) and the Alaska Rules of Court, Rule of Appellate Procedure
18 (Ak. R. App. P.) 602(a)(2). In addition to the appellate rights afforded by
19 AS 22.10.020(d), a party may file a petition for reconsideration as permitted by
20 3 AAC 48.105. If such a petition is filed, the time period for filing an appeal is then
21 calculated under Ak. R. App. P. 602(a)(2).

1 Inviting Applications for Certificate to Operate Electric Utility on Adak

2 We earlier sought expressions of interest from persons willing and able to
3 provide electric service on Adak.⁶⁴ We received responses from two companies.⁶⁵
4 Those two companies also responded to a request for proposals issued by the City of
5 Adak.⁶⁶ The Adak City Council selected the proposal put forth by TDX Power, Inc.
6 (TDX).⁶⁷ We have not received a copy from Adak Electric of the city council's resolution
7 accepting the TDX, Power/Adak Electric acquisition agreement.

8 We seek at the earliest possible time applications for a new certificate or
9 to transfer Certificate No. 684 to provide electric utility service to Adak. We have not yet
10 received any application from TDX for transfer of Certificate No. 684. We are aware
11 that TDX has asked Adak Electric for information as it pursues with due diligence this
12 prospective acquisition.⁶⁸ However, having determined that the public convenience and
13 necessity continue to require electric utility service on Adak and having determined that
14 Adak Electric is not financially fit nor managerially capable to operate the electric utility,
15 we now solicit applications for issuance of a new certificate or transfer of the existing
16 certificate.

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19 ⁶⁴Order U-07-5(4), *Order Scheduling Show Cause Hearing, Inviting Expressions*
20 *of Interest in Providing Electric Utility Service from Qualified Persons, and Inviting*
21 *Participation by the Attorney General*, dated November 19, 2007 (Order U-07-5(4)).

22 ⁶⁵*Adak Eagle Enterprises, LLC's Expression of Interest*, filed December 10, 2007;
23 and letter from E. Ross, filed December 10, 2007.

24 ⁶⁶*Request for Proposals*, filed March 6, 2008.

25 ⁶⁷Tr. at 135, and *City of Adak, Adak, Alaska, City Council Minutes, Regular*
26 *Meeting, April 30, 2008*, filed June 24, 2008.

⁶⁸Electronic mail communication, Letter from TDX Adak Generating, LLC to City
of Adak, filed September 19, 2008.

1 We note again⁶⁹ that a qualified electric utility provider that is fit, willing,
2 and able to provide electric service on Adak must be identified since it remains
3 necessary and convenient for the public to have electric utility service. This electric
4 utility service provider should be able to work cooperatively with the community to
5 improve or replace the existing plant, stabilize electric service, and manage the utility.
6 Accordingly, we invite currently certificated electric utility service providers or other
7 qualified persons to submit applications for a certificate as soon as possible. We
8 suggest that any interested persons carefully review the record of this proceeding and
9 communicate openly and fully with current and former Adak Electric management and
10 employees to obtain all necessary information to support their application.

11 We do not determine at this time whether any applicant will be awarded a
12 certificate. Rather, we establish a process whereby we can consider at the earliest
13 possible time how Adak citizens may again receive safe, reliable, and reasonably
14 continuous electric utility service.

15 Scheduling a Workshop

16 We schedule a workshop in Docket U-08-114 to discuss with Adak
17 Electric, City of Adak officials, Aleut Corporation officials, State of Alaska agency
18 representatives concerned with rural community issues, and persons interested in
19 applying for a certificate, to determine how electric utility service that is adequate for
20 community needs, is efficient, is safe, and can be reasonably and continuously supplied
21 to Adak. The purpose of this workshop is to obtain comment on how Adak's residents
22 may be best served in both the near term and for the future.

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⁶⁹Order U-07-5(4).
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1 THE COMMISSION FURTHER FINDS AND CONCLUDES:

2 1. Good cause exists to revoke Certificate of Public Convenience and
3 Necessity No. 684 held by the City of Adak d/b/a Adak Electric.

4 2. Revocation of Certificate No. 684 should be held in abeyance until we
5 have assurance that a substitute electric utility is able to provide electric utility service to
6 Adak.

7 3. Applications for a new certificate or applications to transfer the existing
8 certificate of public convenience and necessity to provide electric utility service to Adak
9 are sought at the earliest time.

10 **ORDER**

11 THE COMMISSION FURTHER ORDERS that a workshop⁷⁰ is scheduled in Docket
12 U-08-114 to convene at 9 a.m., on October 20, 2008, in the East Hearing Room of the
13 Regulatory Commission of Alaska, 701 W. Eighth Avenue, Suite 300, Anchorage,
14 Alaska for the purpose of hearing from: individuals or representatives of entities
15 interested in applying for a certificate of public convenience and necessity to provide
16 electric utility service to Adak; Aleut Corporation officials; State of Alaska agency
17 representatives concerned with rural community issues; interested persons; members of
18 the public who may meaningfully contribute to our record and propose solutions to the
19 problem of providing long-term, safe, reliable, continuous, electric utility service and
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21 ⁷⁰If you are a person with a disability who may need a special accommodation,
22 auxiliary aid or service, or alternative communication format in order to participate in the
23 scheduled event, please contact Joyce McGowan at 1-907-276-6222, toll free at
24 1-800-390-2782, or TTY at 1-907-276-4533, or electronic mail to rca.mail@alaska.gov
25 at least three business days before the hearing to make the necessary arrangements.

26 Any party wishing to appear telephonically at the scheduled event must advise us
in writing, before the hearing, to make the necessary arrangements and provide a
telephone number where it may be reached for that appearance.

1 maintaining adequate and safe facilities in Adak, Alaska. The hearing will continue day
2 to day thereafter until concluded.

3 DATED AND EFFECTIVE at Anchorage, Alaska, this 23rd day of September, 2008.

4 BY DIRECTION OF THE COMMISSION
5 (Commissioner Kate Giard, not participating.)

